

Congressman Jim Jordan (R-OH), Chairman

December 16, 2009

Congress to Consider Legislation to Increase Debt Limit by \$290 Billion

The debt limit is currently \$12.1 trillion. **Today**, the House will consider legislation to increase the debt limit to \$12.39 trillion, an increase of \$290 billion. When the Democrats took over Congress in January 2007, the debt limit was \$8.965 trillion. This will be the fifth debt limit increase since the Democrats took over Congress in January 2007. Over this period, the debt limit will have increased by \$3.4 trillion or 38.2%. The legislation does not include any provision to ensure that the federal budget is put on a sustainable path at some point in the future.

Today, the House is also considering an extension of the current continuing resolution. The legislation extends the current continuing resolution, otherwise scheduled to lapse on December 18, 2009, through December 23, 2009.

House to Vote on Second “Stimulus” This Year

Today, the House will consider the second “stimulus” of 2009, providing \$150 billion of new deficit spending. The legislation provides a 6-month extension of unemployment benefits (cost: \$41 billion), a six-month extension of COBRA subsidies (cost: \$12.3 billion), extends the 6.2 percentage point increase for FMAP aid to states for six months (cost: \$23.5 billion), and provides \$23 billion for an Education Jobs Fund (\$48 billion was previously provided for this purpose in the “stimulus”). The legislation also provides new spending for various other spending programs such as: \$1.2 billion for COPS, \$715 million for the Army Corps of Engineers, \$2 billion for State and Tribal Assistance Grants, and \$27.5 billion for new highway spending.

Quote of the Week: “I can make a firm pledge... Under my plan, no family making less than \$250,000 a year will see any form of tax increase. Not your income tax, not your payroll tax, not your capital gains taxes, not any of your taxes.”

-**Then-candidate Obama**, September 12, 2008.

The bill reduces TARP authority by \$150 billion. Democrats will assert that this covers a portion of the new spending in the bill.

However, Congress intended for all unused TARP funds to be used for deficit reduction, not new spending, so many conservatives may disagree with this assessment and consider it a budget gimmick. The legislation also extends highway programs through the end of FY 2010, shifts \$20 billion to the highway trust fund, and provides a 100% federal match for all projects authorized by the bill.

\$636.4 Billion FY 2010 Defense Bill on Floor Today

Today, the House will consider a \$636.4 billion FY 2010 defense appropriations bill: \$508.1 billion of non-war funding, and \$128.2 billion of war funding. The \$508.1 billion that provides funding for regular Department of Defense activities is a \$19.1 billion or 3.9% increase compared to FY 2009 (far below the nearly 8% provided for overall FY 2010 appropriations spending).

The Democrat FY 2010 appropriations plan leads to \$1.09 trillion of regular appropriations spending in FY 2010, a \$77 billion or 7.6% increase compared to last year, which follows an \$80 billion or 8.6% increase in the previous year (per the FY 2009 omnibus). In just the last two years, Congress will have increased spending just through the regular appropriations process (so excluding the “stimulus,” various supplementals, and other various entitlement spending increases) by **\$157 billion** or **16.8%**.